
AGREEMENT

In return for “your” payment of the required premium, “we” provide the coverage described in this endorsement during the policy period. This coverage is subject to the “terms” of this endorsement, the Common Policy Conditions, and the “terms” applicable to the Property Coverage Section of this policy, except as provided below.

DEFINITIONS

1. The definition of “restoration period” is deleted and replaced by the following definition with respect to the coverage provided by this endorsement:

- a. “Restoration period” means the time it should reasonably take to resume “your” normal business activities starting from the date of loss at the described premises caused by an “accident,” and ending on the date the property should be rebuilt, repaired, or replaced. This is not limited by the expiration date of the policy.

This does not include any increase in time due to the enforcement of any ordinance, law, or decree that regulates or requires:

- 1) the construction, use, repair, or demolition of any property;
- 2) the testing, evaluating, observing, or recording the existence, level, or effects of “pollutants”; or
- 3) the clean up, removal, containment, treatment, detoxification, or neutralization of “pollutants.”

2. The following additional definitions apply to the coverage provided by this endorsement:

- a. “Accident” means direct physical loss consisting of:
- 1) mechanical breakdown;
 - 2) rupturing or bursting of moving parts of machinery caused by centrifugal force;
 - 3) loss caused by arcing or electrical currents other than lightning;
 - 4) explosion of steam boilers, steam pipes, steam turbines, or steam engines that “you” own or lease or that are operated under “your” control;

- 5) loss to steam boilers, steam pipes, steam turbines, or steam engines caused by any condition or occurrence within such equipment; or
- 6) loss to hot water boilers or heaters caused by any condition or occurrence within such equipment.

- b. “Covered equipment,” unless otherwise specified in the “declarations,” means property covered under Coverage A or Coverage B built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission, or utilization of energy.

“Covered equipment” does not mean:

- 1) equipment manufactured by “you” for sale;
- 2) cabinets or compartments that cover or house “covered equipment”;
- 3) computer “hardware” and “software” unless used to control or operate other “covered equipment”; however, Computer Coverage is provided for “hardware” and “software” under Additional Coverages.
- 4) buildings or structures, including air supported buildings or structures;
- 5) foundations that support “covered equipment”;
- 6) sewer and other underground piping and vessels, water piping or sprinkler system piping. However, “covered equipment” does include:
 - a) boiler feedwater and condensate return piping; and
 - b) water piping for heating, air conditioning, or refrigeration systems;
- 7) construction or excavation equipment; or
- 8) vehicles or self-propelled machines. However, any property that is stationary, permanently installed at a covered location, and receives electrical power from an external power supplier will not be considered a vehicle or self-propelled machine.

- c. “Hardware” means an assemblage of electronic machine components capable of accepting instructions and information, processing the information according to the instructions, and producing desired results.

d. "Perishable stock" means personal property preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.

e. "Software" means:

- 1) processing, recording, or storage media used for electronic data processing operations. This includes films, tapes, cards, discs, drums, cartridges, or cells; and
- 2) data, information, and instructions stored on processing, recording, or storage media used for electronic data processing operations.

PROPERTY COVERED

1. "We" cover direct physical loss to property covered under Coverage A and Coverage B caused by a covered peril, as described in the Perils Covered section of this endorsement.
2. When this endorsement is attached to form BP-200, item 1., Boilers, under Additional Property Excluded and Limitations, does not apply with respect to the coverage provided by this endorsement.

ADDITIONAL COVERAGES

"We" also provide the following additional coverages for loss caused by or resulting from an "accident" to "covered equipment."

The "limit" for each additional coverage is a part of, and not in addition to, the "limit" for the covered property.

1. **CFC Refrigerants** - "We" pay for the additional cost to repair or replace covered property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances.

Additional costs mean those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved.

Subject to the "limit" for this additional coverage, "we" pay no more than the least of the following:

- a. the cost to repair the damaged property and replace any lost CFC refrigerant;

- b. the cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or

- c. the cost to replace the system with one using a non-CFC refrigerant.

"We" also pay for additional loss as described under the Spoilage or Loss of Income Coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

The most "we" pay for loss or damage under this coverage, including Spoilage and Loss of Income, is \$25,000.

This coverage is excess over any Spoilage Coverage provided by endorsement to this policy.

2. **Computer Coverage** - "We" pay for direct physical loss or damage to "your" electronic computer "hardware" and "software."

The most "we" pay for loss or damage under this coverage, including Loss of Income, is \$25,000.

This coverage is excess over any Computer Coverage provided by endorsement to this policy.

3. **Expediting Expenses** - "We" pay for the reasonable extra costs to expedite permanent repairs or permanent replacement and make temporary repairs to damaged covered property.

The most "we" pay under this coverage is \$25,000.

4. **Pollutants** - "We" pay for the additional cost to repair or replace covered property because of contamination by "pollutants." This includes the additional expenses to clean up or dispose of contaminated property.

Additional costs mean those in excess of what would have been required to repair or replace damage to covered property, had no "pollutants" been involved.

The most "we" will pay for loss or damage under this coverage, including Spoilage and Loss of Income, is \$25,000.

This coverage is excess over any Spoilage Coverage provided by endorsement to this policy.

5. Spoilage -

- a. "We" pay for loss to "your" "perishable stock" due to spoilage. "We" also pay:
- 1) for loss to "your" "perishable stock" caused by contamination from the release of a refrigerant, including but not limited to ammonia; and
 - 2) any necessary expenses "you" incur to reduce the amount of loss under this coverage. "We" pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- b. "We" also pay for loss to "your" "perishable stock" "caused by an "accident" to property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission, or utilization of energy and which is owned by a utility, a landlord, or another supplier who provides "you" with:
- 1) electrical power, gas, or water;
 - 2) communications;
 - 3) waste disposal; or
 - 4) air conditioning, refrigeration, heating, air, or steam.
- c. If "you" are able to replace the "perishable stock," "our" payment will be determined in accordance with the Valuation of Property Losses provision. If "you" are not able to replace the "perishable stock" before its anticipated sale, the amount of "our" payment will be determined on the basis of the selling price of the "perishable stock" at the time of the "accident," less discounts and expenses "you" otherwise would have had.
- d. "We" do not pay for loss that results from "your" failure to use all reasonable means to protect "perishable stock" from loss or damage following an "accident."

The most "we" pay for loss or damage under this coverage is \$25,000.

This coverage is excess over any Spoilage Coverage provided by endorsement to this policy.

EXTENSION OF COVERAGE C

"We" provide the following extensions of Coverage C - Loss of Income.

1. **Loss of Income** - The coverage provided under Coverage C - Loss of Income is extended to provide coverage during the "restoration period" when "your" normal business activities are interrupted due to an "accident" to "covered equipment" during the policy period.
2. **Service Interruption** - The coverage provided under Coverage C - Loss of Income is also extended to pay for "your" loss of earnings and the necessary extra expense "you" incur during the period when "your" normal business operations are interrupted as a result of an "accident" to property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission, or utilization of energy and which is owned by a utility, a landlord, or another supplier who provides "you" with:
 - a. electrical power, gas, or water;
 - b. communications;
 - c. waste disposal; or
 - d. air conditioning, refrigeration, heating, air, or steam.

The period of interruption is the time beginning when service is interrupted and ending when service has been completely restored to the premises.

When a "limit" is shown for Coverage C, these extensions do not increase the "limit."

PERILS COVERED

"We" cover risks of direct physical loss caused by or resulting from an "accident" to "covered equipment" unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

"We" do not pay for loss or damage under the coverage provided by this endorsement if one or more of the following exclusions apply to the loss:

1. Except as stated under items 2. and 3. below, the coverage provided by this endorsement is subject to the "terms" of Perils Excluded in form BP-100 or BP-200.

2. **Water** - With respect to the coverage provided by this endorsement, Water under Perils Excluded is amended by the following addition:

"We" do pay for the direct expenses to dry out electrical "covered equipment" required as a result of water.

3. **Earth Movement or Volcanic Eruption** - "We" do not pay for loss due to an "accident" caused by any earth movement (other than "sinkhole collapse") or caused by eruption, explosion, or effusion of a volcano. Earth movement includes, but is not limited to, earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting of earth.

This exclusion applies regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded cause or event.

ADDITIONAL EXCLUSIONS

Except as stated below, the coverage provided by this endorsement is subject to the "terms" of Additional Exclusions in form BP-100 or form BP-200.

1. The following provisions under Additional Exclusions do not apply with respect to the coverage provided by this endorsement:

- a. Explosion or Boiler Explosion;
- b. Electrical Currents; and
- c. Mechanical Breakdown.

2. When this endorsement is attached to form BP-200, the following provisions under Additional Exclusions are deleted and replaced with respect to the coverage provided by this endorsement:

- a. **Animals** - "We" do not pay for loss caused by nesting or infestation, or discharge or release of waste products or secretions of animals, including birds or insects. "We" do pay for any resulting loss caused by an "accident."

b. **Contamination or Deterioration** - "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in property that causes it to damage or destroy itself. "We" do pay for any resulting loss caused by an "accident."

c. **Wear and Tear** - "We" do not pay for loss caused by wear and tear, marring, or scratching. "We" do pay for any resulting loss caused by an "accident."

3. The following exclusion is added with respect to the coverage for Spoilage and Service Interruption provided by this endorsement:

"We" do not pay for loss caused by: aircraft; civil commotion; explosion (except for steam or centrifugal explosion); falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; or windstorm.

HOW MUCH WE PAY

The following deductible provision replaces any other deductible with respect to the coverage provided by this endorsement:

Deductible - The deductible amount shown on the schedule above will apply to each loss after all other adjustments have been made.

ADDITIONAL CONDITIONS

1. **Jurisdictional Inspections** - If any property that is "covered equipment" under the Equipment Breakdown coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, "we" agree to perform such inspection on "your" behalf.

2. **Suspension** - When any "covered equipment" is discovered to be in or exposed to a dangerous situation or condition, any representative of "ours" may immediately suspend the insurance coverage against loss from an "accident" to that equipment. "We" can do this by mailing or delivering a written notice of suspension to "your" address as shown in the "declarations," or at the address where the equipment is located.

Once so suspended, "your" insurance can be reinstated only by written notice from "us." If "your" insurance is so suspended, "you" will get a pro rata premium refund. But the suspension is effective even if "we" have not yet offered or made a refund.